



UNIVERSITI PUTRA MALAYSIA

**PERFORMANCE CRITERIA AND UTILIZATION OF
PERFORMANCE APPRAISAL IN THE ROYAL
MALAYSIAN POLICE FORCE**

LEE YEN THING

FPP L 1994 17

**PERFORMANCE CRITERIA AND UTILIZATION OF
PERFORMANCE APPRAISAL
IN THE ROYAL MALAYSIAN POLICE FORCE**

LEE YEN THING

**MASTER OF SCIENCE
UNIVERSITI PERTANIAN MALAYSIA
1994**

**PERFORMANCE CRITERIA AND UTILIZATION OF
PERFORMANCE APPRAISAL
IN THE ROYAL MALAYSIAN POLICE FORCE**

**By
LEE YEN THING**

**Project Submitted in Partial Fulfilment of
the Requirements for the Degree of
Master of Science (Human Resource Development)
in the Centre for Extension and Continuing Education
Universiti Pertanian Malaysia**

July 1994

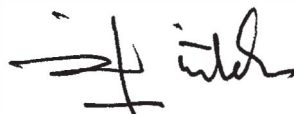


I hereby certified that I have read this project entitled "Perfromance Criteria and Utilization of Performance Appraisal in the Royal Malaysian Police Force" by Lee Yen Thing, and in my opinion it is satisfactory in terms of the scope, quality, and presentation as partial fulfilment of the requirements for the degree of Master of Science (Human Resource Development).



ABU DAUD SILONG Ph.D
Associate Professor
Department of Extension Education
Centre for Extension and Continuing Education
Universiti Pertanian Malaysia
(Supervisor)

Date: 1/12/94



HAJI SAIDIN TEH Ph.D
Associate Professor
Department of Extension Education
Centre for Extension and Continuing Education
Universiti Pertanian Malaysia
(Examiner)

Date: 1/12/1994

ACKNOWLEDGEMENTS

I would like to express special appreciation to my project supervisor, Dr. Abu Daud Silong, for his many hours of guidance and insight during the entire process without that this project would not have been completed successfully. I would also like to acknowledge the contributions of my fellow colleagues, Noor Azmi Nordin, Omar Ismail and Mazlan Lazim who have provided constant assistance and feedback that expedite the completion of this project. In addition, the Assistant Registrar of Centre for Extension and Continuing Education, Azmi Mohd. Noordin, for ensuring the pleasant and enjoyable studying in U.P.M. I am also grateful to my graduate colleagues and staff members at Centre for Extension and Continuing Education, U.P.M. who have contributed in one way or another.

I am also very grateful to the Public Services Department of Malaysia, for giving the financial support to undertake this Master programme. Special thanks and appreciation also go to the Royal Malaysian Police Force and specifically The Special Branch Department of Bukit Aman Police Headquarters for giving me the opportunity to embark on the journey into the academic world.



My special thanks and appreciation also go to many parties and institutions, particularly the National Institute of Public Administration (INTAN), for kindly allowing me to use their facilities while preparing for this project.

Finally, and specially I am very grateful to my wife, Gim Lay, my two daughters Yew Lynn and Yew Yin for their patience, love, understanding and encouragement throughout my graduate programme and ensure this project a success.

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
LIST OF TABLES	viii
LIST OF FIGURES	x
ABSTRACT	xi
ABSTRAK	xiii
CHAPTER	
I INTRODUCTION	1
Background	1
Statement of the Problem	6
Objective of the Study	8
Significance of the Study	10
General Assumption of the Study	11
Linitation of Study	12
Definition of Terms	13
~	
II REVIEW OF RELATED LITERATURE	15
Decision Theory	15
Concept of System	19
A System View of Performance Appraisal ..	21

Performance Criteria	26
Criteria: Concept and Definition ...	26
Criterion Theory	27
Composite and Multiple Criteria	30
Performance Appraisal	33
Objectives' of Performance Appraisal	33
Performance Criteria	35
Performance Measures	39
Classification of Performance Measures	40
Sources of Variance in Performance Measures	43
A Model of Performance Measures	45
Psychometric Criteria	50
Utilization Criteria	56
Conflicting Uses of Performance Appraisal ...:.....	57
Conceptual Framework of the Study	59
III RESEARCH METHODOLOGY	64
Population of the Study	64
Sample of the Study	67
Measurement and Instrumentation	68
Performance Criteria	69
Uses of Performance Appraisal	70
Performance Measures	71

	Pre Testing of Instrument	72
	Data Collection	75
	Analysis of Data	77
IV	FINDINGS AND DISCUSSIONS	84
	Profile of Respondents	84
	Demographic Characteristics: Gender, Race and Highest Academic Qualification	85
	Other Demographic Characteristics	89
	Performance Criteria	91
	Relationship Between Trait-Based and Behavior-Based Performance Criteria	95
	Uses of Performance Appraisal	97
	Between and Within-Individual Comparison	102
	Psychometric Criteria	105
	Interrater Reliability	106
	Validity	108
	Accuracy	110
V	CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS	114
	Summary	114
	Research Problem	114
	Objective of Study	115
	Methodology of the Study	117

Summary of Findings	119
Conclusions	128
Implications	130
Recommendations	133
Recommendations for Organization ...	133
Recommendations for Future Research	134
 BIBLIOGRAPHY	 136
APPENDICES	
B Research Questionnaire in Bahasa Malaysia	143
C Introduction Letter from The Director of Centre for Extension and Continuing Education, UPM	170
D Sample Letter from Head of Special Branch Dpartment granting permission and Cooperation to Conduct Study ...	171

LIST OF TABLES

Table	Page
1. Distribution of Senior Police Officer by Ranking and Gender in the Special Branch Department	66
2. Pre-test and Final Reliability Statistics of Research Variables	74
3. Summary Table for the Psychometric Interpretation of the Basic Multitrait-Multirater Design	80
4. Frequency Distribution of Respondents by Gender and Race	87
5. Frequency Distribution of Respondents by Gender and Highest Academic Qualification	88
6. Frequency Distribution of Respondents by Age ...	89
7. Frequency Distribution of Respondents by Years of Service in Current Organization	90
8. Summary of Characteristics and Frequencies of Selected Demographic Factors	92
9. Summary Statistics for Performance Criteria	93
10. Frequency Distribution of Respondent's Mean with Performance Criteria	94
11. Means, Standard Deviation and Correlation Analysis: Relationship Between Trait- and Behavior-Based Performance Criteria	96
12. T-test: Trait- and Behavior-Based Performance Criteria	96
13. Distribution of Respondent's Score on Impact of Information from Performance Appraisal	98
14. Distribution of Respondent's Score on Decision or Activity that have the Greatest Impact on Uses of Performance Appraisal	99

15.	Summary Statistics for 20 Uses of Performance Appraisal	101
16.	Factor Means, Standard Deviations and Intercorrelation Matrix for Uses of Performance Appraisal	103
17.	Distribution of Respondent's Mean Ratings by Factors	104
18.	Frequency of Mean Ratings: Between- and Within-Individuals Factors	104
19.	Summary Statistics for the Analysis of the Data from Peers Rating Using Multitrait-Multirater Design	107
20.	T-test: Performance Rating Means of Peer Raters ..	107
21.	Summary Statistics for the Analysis of the Data for Superior, Self, Peer Ratings Using Multitrait-Multirater Design	109
22.	Means and Grand Means of Rating Criteria of Performance Appraisal	113
23.	The Salient of the 27 Selected Criteria of Performance Appraisal	122

LIST OF FIGURES

Figure	Page
1. An Open System–Decision Theoretic View of the Employment Process	22
2. A Modified Framework that Identifies the Inferences for Criterion Development	28
3. Smith's Three Dimensional Framework for Classifying Different Forms of Performance Measures	41
4. Factors Influencing the Measurement of Work Performance	44
5. Component Model of Performance Rating	47
6. A Process Model of Performance Measures	48
7. A Conceptual Framework of Performance Appraisal	60
8. Ranks of Police Officer in the Royal Malaysian Police Force (Adapted from: First Schedule of Police Act, 1967)	65

Abstract

Performance appraisal has become increasingly important tool for organization to use in managing and improving employee's performance. However, little empirical result has been conducted to determine (a) the extent to which performance criteria were being selected for performance appraisal, (b) the extent to which performance appraisal is used for each of several purposes in the organization, (c) the extent to which appraisal data may be used for multiple and possibly conflicting uses within the organization, and (d) the psychometric criteria of the new performance appraisal under the New Remuneration System.

A survey questionnaire designed to answer these questions was distributed personally to 100 police officers ranking from P/Insp. to Deputy Superintendent of Police (DSP) in the Special Branch Department, Bukit Aman, Kuala Lumpur. A correlational and simple Analysis of Variance were utilized to analyze the data of seventy-six completed questionnaires.

The findings showed that loyalty, conduct, decision making ability and quality of work were cited among the most important performance criteria, while non-work related activities, adaptability to work and quantity of work were cited as the least important

criteria of performance appraisal. Findings revealed that information from performance appraisal had the greatest impact on salary administration, promotion and recognition of individual performance. The findings also found that the Police Force used performance appraisal for a variety of purposes rather than concentrating on one purpose and the exclusion of the others. Finally, the psychometric criteria showed the significant existence of interrater reliability, construct validity and accuracy of the performance measures developed under the New Remuneration System.

Abstrak

Penilaian prestasi kerja adalah satu kaedah yang semakin penting didalam sesuatu organisasi untuk tujuan pengurusan dan peningkatan prestasi kerja pekerja-pekerjanya. Bagaimanapun, amat sedikit kajian ilmiah telah dijalankan bagi menentukan a) sejauh mana pemilihan kriteria prestasi kerja dibuat, b) sejauh mana penilaian prestasi kerja digunakan untuk setiap daripada beberapa tujuan tertentu didalam organisasi, c) sejauh mana maklumat penilaian digunakan untuk pelbagai dan kemungkinan bercanggah penggunaannya didalam organisasi, dan d) kriteria "psychometric" penilaian prestasi kerja yang diperkenalkan didalam Sistem Saraan Baru.

Satu borang soal-selidik yang dibentuk bagi menjawab kesemua soalaan diatas telah diedarkan sendiri kepada 100 pegawai polis yang berpangkat Inspektor Percubaan sehingga Timbalan Penguasa Polis di Jabatan Cawangan Khas, Bukit Aman, Kuala Lumpur. Analisa "correlational" dan "Analysis of Variance" digunakan untuk menganalisa data daripada 76 soal-selidik yang lengkap.

Keputusan kajian mendapati kesetiaan, perilaku, kebolehan membuat keputusan dan kualiti hasil kerja adalah diantara kriteria prestasi kerja yang dinyatakan

sebagai amat penting. Sementara itu, aktiviti luar kerja, kebolehan menyesuaikan diri, dan kuantiti hasil kerja adalah kriteria prestasi kerja yang dianggap sebagai paling kurang penting. Kajian juga menunjukkan bahawa maklumat daripada penilaian prestasi kerja mempunyai kesan yang tinggi terhadap pentadbiran gaji, kenaikan pangkat dan pengiktirafan prestasi kerja individu. Kajian juga mendapati organisasi Polis menggunakan penilaian prestasi kerja untuk beberapa tujuan dan tidak tertumpu hanya kepada satu tujuan sahaja. Akhir sekali, kriteria psikomatik menunjukkan penilaian prestasi kerja dibawah Sistem Saraan Baru wujud kesahihan, kesahan dan ketepatan yang signifikan.

CHAPTER I

INTRODUCTION

Background

Today's managers and leaders recognize the impact that measures have on performance. As organizations reshape or are involved in radical restructuring with the view to cope with the turbulent competitive conditions of doing business, it becomes more organic and less mechanistic. This resulted in fewer levels and more flexible modes of operating the organizations. In addition, organizations will have to manage different kinds of human resources whereby an increasing proportion of them possesses professional and technical qualifications (Fletcher, 1993). In enhancing organizations overall quality in services and products, an effective performance appraisal system is important. These systems can act as a powerful tool in changing the organization.

Quality in organization seems to emphasize on individual performance, output and achievement. Thus, performance appraisals have become increasingly important tools for organizations to use in managing and improving the performance of employees, in making timely and accurate staffing decisions, in motivating

the employees, in determining the distribution of performance-rewards equitably and in using it as a developmental tool (Cummings and Schwab, 1973; Wexley and Yukl, 1984; Benerdin and Kane, 1993; Fletcher, 1993). As such appraisals require supervisors to perform two basic functions (McAfee and Champagne, 1993; Metcalfe, 1994). First, performance appraisals require supervisors to evaluate performance and to play a judgment role in the appraisal process. Second, performance appraisals expect the supervisors to play problem solving or a supportive role with the goal of stimulating employee growth and development.

The administrative and developmental purposes of a performance appraisal should help in developing more productive employees. It has also been frequently suggested that these purposes of the performance appraisal may differently affect employee satisfaction, motivation, and subsequent job performance (McGregor, 1957; Cummings and Schwab, 1973; Dorfman et. al., 1986). Nevertheless, managers and employees likewise, frequently resist using formal performance appraisals. This resistance stems in part from the lack of awareness about how an appraisal fits into the overall plan for effective management of people.

The Malaysian Government realizes that in order to achieve Vision 2020, the country has to improve its national productivity, efficiency and quality, both in private and public sectors. Every sector in the country has to increase their performance and productivity in carrying out their business. The private sectors, being much more specific in their nature of business, are able to concentrate on employees' performance as a source of motivation toward achieving company goals. Meanwhile, the public sectors on the contrary, are basically satisfied in an "acceptable" employees' performance. The main reasons, being that individual performance does not play any significant role in determining the organization's outcomes or productivity. Since the employee does not face any disciplinary action and performs his or her work as "expected" then the annual increment is assured. Furthermore, in the public sector, both high and low performers are given the same increment in their respective grades. As a result, all civil servants get their annual pay rise automatically. This automatic pay rise is something civil servants virtually take for granted and has become a culture in the 60-year-old history of the country's civil service (Bernama, 1992(c)).

In line with this awareness, the Government decided to focus on individual performance as a yardstick to determine the public sector productivity, quality and efficiency. This is the government's boldest move to check inefficiency and to push up productivity and quality of the public sector. With this, the Public Service Department (PSD) embarks on a new system to appraise civil servants' performance known as the New Remuneration System (NRS) launched on the January, 1st. 1992. Under the new appraisal system, the bosses or department Heads assess the performance of individuals based on a set of targets and expectations lay out at the beginning of the year. This appraisal becomes the basis of the civil servants' pay increment annually.

The Royal Malaysian Police Force, being one of the government agencies, has also adopted the New Remuneration System in appraising all the police personnel. The introduction of the New Remuneration system, specifically the new performance appraisal, as the basic instrument in appraising individual performance, has affected the organization quality and productivity. Changes as the result of the New Remuneration system introduced in the Police Force has

affected officers who appraised their subordinates (raters). These officers are seen to be prejudice when they failed to appraise their subordinates objectively and fairly. Prejudice is against the law and it is manifested as denial of equal opportunity in their work and equal pay and benifits for equal work. In appraising subordinates, some raters (the superior officers) can be very tough, while others can be very linient in their judgments. The result can be great equity. Discrimination on the basis of race, sex, age and handicap has been strongly emphasised in the government policy and must be checked. Thus, the antidote for discrimination to all the police personel has been based on equal opportunity .

Many police personel, especially those being appraised feared and doubted the ability of the new performance appraisal under the New Remuneration System to provide an equal opportunity in appraising their performance. As performance appraisals often are tied to compensation and salary administration, it makes even more difficult when the level of performance differ from one officer to the others due to different work functions. In addition, pay must be varied according to individual performance. The quantity and

work load which are mutually dependant, affect the performance of the police personel. For example, a comparizon of an investigation officer in Sarekei, Sarawak and Jalan Bandar, Kuala Lumpur would record an adverse results on performance if it is based on numbers of investigation papers completed monthly, or even on the number of successful arrest conducted.

Teamwork among police personel were also felt to be faltering and the scheme has not been generating the intended healthy competition among the police personel. As salary increament and incentives were based on individual performance, there was a general feeling that many police personel would concentrate on individual's work rather than emphasising on the spirit of teamwork and cooperation within departments.

Statement of Problem

The introduction of the new performance appraisal system for Malaysian Civil Servant under the New Remuneration System has placed many civil servants in a "cultural shock." Worry is written on the faces of many civil servants (Bernama, 1992(a); Bernama, 1992(b)). There is fear that the new performance appraisal that focuses on employees' performance, may

not reflect the true picture. In addition, the employees' performance appraisal will be the primary criterion for determining increments and promotions. Other factors such as the role of appraisers and the performance appraisal accuracy in determining performance have also contributed toward the uneasiness of many civil servants on the new performance appraisal.

Above all, the question that exists in every civil servants mind is whether the new performance appraisal under the New Remuneration System possesses the elements of fairness and objectivity in appraisal practices. This could be obtained through establishing the adequacy of the performance appraisal. Jacobs et. al., (1980) established three broad categories of criteria against which any performance system should be evaluated. These criteria are utilization criteria, qualitative criteria and psychometric criteria.

Utilization criteria deals with the purpose of obtaining performance information from performance appraisal in an organization. The uses of appraisal information would definitely influence the choice of performance appraisal methodology which later affecting the mechanics of appraising such as the time, by whom,

and how often.

Qualitative criteria are related with the rules or guidelines by which performance appraisal is considered useful and beneficial. The criteria involved with those that are related to the processes by which the performance appraisal is conducted.

Psychometric criteria concerned with the statistical results of data analyses of performance appraisal. These psychometric criteria are reliability, validity and accuracy.

Objective of the Study

The study will investigate the criteria and uses associated with performance appraisal in the Royal Malaysian Police Force, and the quantitative criteria of performance measurement with a specific focus on the performance appraisal being introduced under the New Remuneration System for public sector. The identification and clarification of these criteria - the performance criteria, psychometric criteria, and utilization criteria - are required in ensuring the adequacy and quality of the performance appraisal.

The specific objectives of this study are as follows:-